# FEBRUARY 2016 MICHIGAN BAR EXAMINATION ESSAY PORTION

MORNING SESSION

### QUESTION 1 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I OR IN SOFTEST ANSWER SCREEN 1

Michigan Builders was constructing a new building on its property located in Lansing, Michigan. On May 1, a Michigan Builders crew dug out a large hole in the ground and placed the removed dirt into an approximately 15-foot high pile adjacent to the hole. Michigan Builders had to wait until May 14 before concrete could be poured to form the basement, after which most of the dirt from the hill would be used as "fill dirt."

On May 7, the Michigan Builders' project foreman noticed that several boys from the elementary school across the street had dug into the base of the dirt hill to make caves. The next day, the foreman stayed on the premises during school hours and saw several boys run over to the hill. The foreman ran up to them and yelled "Get off this property. It is private and you are not allowed to be on here! Stay at your playground." The ten-year-old boys ran back to school. The foreman then placed a prominent "No Trespassing" sign on the edge of the property facing the school.

The next week, when no one was present on the premises, the same boys came back across the street and began digging a new cave. One boy thought the cave needed to be a little deeper, so he went in to dig out some more dirt. As he started digging, the cave collapsed, causing him to suffer significant injuries.

The injured boy's parents sued Michigan Builders, arguing that the company was liable in tort under Michigan law for their son's injuries. Michigan Builders eventually moved the trial court to dismiss the case because, it argued, it had no responsibility for the boys who were not permitted on the company's property.

Should the motion be granted? Explain why or why not.

#### QUESTION 2 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I OR IN SOFTEST ANSWER SCREEN 2

In anticipation of his upcoming birthday, Derwin Dennis planned to have a huge party. He asked Carolyn Cook whether she would consider being the party planner. Two days before Carolyn was scheduled to meet with Derwin to discuss the details and sign the provided contract, Carolyn stopped at Exclusive Edibles and ordered a 7-tiered chocolate birthday cake for Derwin's party. Carolyn informed Exclusive Edibles that she was the party planner for Derwin's birthday party. The contract signed by Derwin and Carolyn authorized her to plan and execute Derwin's birthday party, and provided that Carolyn would receive \$500 in payment for her efforts. The contract included instructions regarding budgetary limits—no more than \$10,000 for food and beverages, \$500 for the cake, and \$5,000 for entertainment.

Carolyn then entered into a contract with Saucy Sean's to provide the food and beverages for Derwin's birthday party. The contract was for \$11,000. Carolyn also entered into a contract with a local band, Valerina and the Vixens, to provide the entertainment for the party. After intense negotiations, the band agreed to perform for \$4,000.

The party--including the birthday cake--was a huge success. At the end of the evening, Derwin gave Carolyn \$5,000 for the musical performers. Carolyn paid them \$4,000 per the contract, and kept the negotiated discount. Derwin told Carolyn that he had no intention of paying either Exclusive Edibles or Saucy Sean's.

Applying principles of Michigan agency law, explain whether Derwin is required to pay (1) Exclusive Edibles, and (2) Saucy Sean's, and (3) whether Carolyn may keep the \$1,000.

Explain your answers.

#### QUESTION 3 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I OR IN SOFTEST ANSWER SCREEN 3

Barry Peters, a resident of the Donovan Apartments, Inc., was hosting a party. Before the party, Peters leaned onto his apartment balcony in order to hang a banner. The balcony collapsed and Peters fell, suffering catastrophic injuries. Several residents of the apartment complex observed the incident.

Peters hired the PI Firm, which notified Donovan that it represented Peters in connection with the injuries he suffered. In response to PI's notice, Donovan immediately hired the Carlton Firm, to coordinate an investigation into how the accident occurred. Carlton hired Boothe Engineering Company to perform an engineering and accident reconstruction investigation. Carlton also conducted interviews of all of the apartment complex residents. Two of the residents began tours of duty in Afghanistan after being interviewed by Carlton.

Boothe submitted its completed report to Carlton. Carlton then sent Donovan its own report containing its legal analysis concerning the accident, and the Boothe report. Carlton also sent a copy of the Boothe report to Ajax, Donovan's insurance company. After receiving both Carlton's analysis and Boothe's report, Donovan had the balcony rebuilt.

Peters filed suit in the Michigan circuit court against Donovan seeking damages allegedly caused by Donovan's negligence in constructing the balcony. During discovery, Peters learned of 1) Carlton's legal analysis, 2) Carlton's interviews of the apartment complex residents, and 3) Boothe's engineering report, and that it was shared with Ajax. Peters demanded that Donovan provide him with copies of Carlton's legal analysis and interview notes, and Boothe's report. When Donovan refused, Peters filed a motion to compel production of these materials.

Apply the Michigan Rules of Civil Procedure and explain whether the court should or should not grant Peters' motion to compel:

- 1. The copies of Carlton's legal analysis;
- The copies of Carlton's interview notes;
- 3. A copy of Boothe's report.

#### GO TO BLUEBOOK II

#### QUESTION 4 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II OR IN SOFTEST ANSWER SCREEN 4

Jamie was a third-year law student. She was short of money but wanted a laptop computer for her personal use. She approached her brother Mike to lend her \$2,000 to buy a high-end laptop. Knowing Jamie's spendthrift ways, Mike agreed to lend her the money, but insisted on security for the loan. Jamie agreed and they entered into a written agreement that provided: Mike loans Jamie \$2,000 to purchase the Toshiba laptop she desires; Jamie uses the money to purchase it; Jamie agrees to repay Mike \$50/month for 40 months and grants Mike a security interest in the laptop. The agreement, which identified the Toshiba, was signed by both parties and Jamie immediately got her laptop.

Following graduation from law school and passage of the bar exam, Jamie immediately began her legal career as a sole practitioner. She purchased from Office Supply a large conference table to place in a conference room which she would use to confer with clients. The conference table cost \$3,000. She gave Office Supply a small down payment, gave Office Supply a security interest in the conference table, and agreed to repay the balance of the purchase price at \$100/month. A purchase agreement describing the table was committed to writing and signed by Jamie and Office Supply. Office Supply promptly delivered the conference table to Jamie's law office.

Neither Mike nor Office Supply bothered filing any financing statements with any governmental agency.

Six months into her legal career, Jamie found it difficult attracting clients and developed serious cash flow problems. To alleviate the situation, she obtained a loan from Local Financing. The financing company agreed to loan Jamie \$10,000 with Jamie's repayments being \$200/month. The company demanded as collateral Jamie's personal Toshiba computer, conference table, and other items. Jamie agreed to these terms and they entered into a mutually signed agreement reciting these terms and identifying the collateral. Local Financing filed a financing statement with the appropriate state agency.

Despite the cash infusion, Jamie's law practice soon failed. She stopped making payments to Mike, Office Supply, and Local Financing. Each demanded satisfaction.

Identify which of Jamie's creditors has first priority in the computer, and in the conference table, and the reasons why. Explain why the other creditors do not have first priority.

#### QUESTION 5 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II OR IN SOFTEST ANSWER SCREEN 5

Originally from Michigan, Pamela lived and worked in Argo City, North Carolina for nearly 20 years until October 2013. Pamela purchased a new Dendar Automotive sedan in June of 2002 from a dealership in Argo City. On April 6, 2013, Pamela was driving her Dendar Automotive sedan when it was rear-ended by a 10-ton dump truck, causing Pamela serious injuries.

At the time of the accident, Pamela's sedan was owned, registered, licensed, and insured in North Carolina. Dendar is a Michigan corporation headquartered in Kandor County, Michigan, but it does business in all fifty states and throughout the world. Pamela's sedan was designed in Michigan and manufactured at Dendar's Ohio plant.

Six months after the accident, Pamela moved back to Michigan, but continued to receive medical treatment at Jeweled Mountains Medical Center in North Carolina. On July 10, 2015, Pamela filed a product liability action against Dendar in Michigan (Kandor County Circuit Court), seeking monetary damages. Pamela alleges that her seat "collapsed" due to a defective seat design, causing her to suffer more severe injuries than she would otherwise have suffered.

Dendar moved for summary disposition under North Carolina's 12-year statute of repose for product liability actions, which provides that "[n]o action for the recovery of damages for personal injury, death, or damage to property based upon or arising out of any alleged defect or any failure in relation to a product shall be brought more than 12 years after the date of initial purchase for use or consumption." NC Gen Stat \$ 1-46.1(1). Pamela responded to Dendar's motion, and contends that the trial court should apply Michigan's statute of limitations, under which a personal injury action is timely if it is brought within 3 years of the date the plaintiff is harmed by the defendant's negligence.

- 1. What factors should the Michigan circuit court consider in reaching its choice of law decision and what law should it apply?
- 2. How should the circuit court decide Dendar's motion for summary disposition?

<sup>\*\*\*\*\*</sup>THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II\*\*\*\*\*
OR IN SOFTEST ANSWER SCREEN 5

#### QUESTION 6 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II OR IN SOFTEST ANSWER SCREEN 6

Frank divorced Mary in 2006. Custody of the parties' four-year-old son, Grant, was awarded to Mary. Mary received sole legal and physical custody. Frank was awarded parenting time of every other weekend, two weeks in the summer, a week around Christmas and another around Easter. Mary was responsible, per the terms of the judgment and for all the years thereafter, for supplying Grant with his medical, educational and other needs. She is also the parent who administered discipline.

When Grant was almost 12, eight years after the judgment was entered, Frank wants to file a motion to change custody. He does not want just more parenting time; he wants the reverse of what he had. He wants sole legal and physical custody, wants Mary to have the parenting time he had, and wants Mary to pay him support.

Frank's reason for the custody change is singular: Grant is now older and has told Frank he wants to live with him. Frank believes the matter is straightforward and the custody change is warranted despite knowing Mary will challenge any motion to change custody. Frank believes what Grant wants should control, and that all the judge needs to do is interview Grant and abide by his wishes.

- 1. Discuss what procedural steps the court will have to take before making a determination, and why Frank's approach is flawed.
- 2. Discuss what the court's procedural determination would likely be.

#### QUESTION 7 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III OR IN SOFTEST ANSWER SCREEN 7

Douglas, a senior at Cold College in Michigan, drives to Florida for school breaks and frequently takes other students for a fee. One day he overheard Larry, another student, complaining about the price of flights to Florida during an upcoming break. Douglas told him, "I can give you a ride. I'm sure we can work out a deal that will save you money." Larry said "Really? That would be great—otherwise I have to buy a \$250 airplane ticket." Douglas promised to give Larry a ride, so Larry did not purchase the ticket.

Nina, another student, asked Douglas if he could give her a ride too. She offered to pay \$50 (Douglas's usual charge) but said she would go only if he replaced a bald tire on his car before they left. Douglas agreed, though he never replaced the tire.

The night before the trip, heavy snow was predicted. Douglas, anticipating the drive would take much longer due to bad weather, told Larry he was canceling his trip. Larry immediately bought the only airplane ticket still available, for \$500, and took the flight that night.

The next morning turned out to be clear and dry, so Douglas decided to drive after all. Looking at the blue sky, Nina said, "Guess that bald tire won't be a problem," and hopped in Douglas's car.

Larry sought to recover from Douglas the price of the airplane ticket. Douglas claimed 1) there was no enforceable agreement to give him a ride; and 2) even if there was such an agreement, Larry breached it by taking the flight.

Douglas sought to recover \$50 from Nina; Nina claimed there was no contract because Douglas never replaced the bald tire.

- 1. What is Larry's best response to Douglas's arguments? Explain your answers.
- 2. How should a court rule on Douglas's claim against Nina? Explain your answer.

#### QUESTION 8 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III OR IN SOFTEST ANSWER SCREEN 8

Lon Lawyer represents **Client A** who recently obtained a money judgment. Lawyer is interested in purchasing a classic automobile and asks Client A for a \$30,000 loan to make the purchase. Lawyer informs Client A that he wishes to move quickly on the purchase so he doesn't lose the car to another buyer, so Client A quickly agrees to make the loan. Lawyer arranges to meet Client A at Client A's office the next morning to pick up the check.

As planned, Lawyer arrives the next morning, receives a check for \$30,000 and gives Client A a promissory note signed by Lawyer providing full repayment of the money in two years at 1.9% interest. No monthly payments are provided for in the note. No other papers or loan documents are executed, and the loan is unsecured (i.e., Client A receives no security interest in the car or any other property). The interest rate is 3% lower than a car loan from a lender such as a bank, and 12% below the rate for an unsecured loan, assuming one would be made to the borrower.

Lawyer also represents **Client B**, Hardware Barn, a big box hardware store. One weekend, he went to the local Hardware Barn and purchased a grill, three screwdrivers, paper towel and cleaning supplies for his law office, and a garden hose.

Finally, Lawyer is exploring whether to contract with a local advertising/marketing firm which mails flyers and coupons. The marketing firm offers the following options: (1) pay for a coupon or flyer to be placed in the next envelope full of coupons and flyers from various businesses, which may include advertisements from other attorneys; or (2) pay a higher price for the "exclusive package," i.e., he would be the only attorney to have a coupon or flyer in the envelope. The cost for option (1) is simply the reasonable cost of the advertisement (i.e., the cost of printing, raw materials, staff time, plus a reasonable profit for the advertising agency). Option (2) costs three times as much, as a base rate, plus 3% of any fees generated on the matter in which the coupon was used (or flyer was mentioned).

The coupon simply says:

Lon Lawyer
Divorce Criminal Law
Personal Injury Wills & Probate
Free Initial Consultation with Coupon

There is nothing false, fraudulent, misleading or deceptive about the coupon. Lawyer will be meticulous about asking new clients how they heard about him and remitting the 3% of fees to the marketing firm.

- (1) Does the business transaction between Lon Lawyer and Client A violate the Michigan Rules of Professional Conduct? Why or why not?
- (2) With respect to Client B, did Lon Lawyer's purchases at Hardware Barn violate any Michigan Rules of Professional Conduct? Why or why not?
- (3) Should Lon Lawyer proceed with either of the coupon options? Discuss why or why not under the Michigan Rules of Professional Conduct.

#### QUESTION 9 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III OR IN SOFTEST ANSWER SCREEN 9

Developer Welles Company is suing Developer Kane Company in state court for tortious interference with business expectation in connection with a comprehensive plan Welles had been negotiating and implementing in phases with the Village of Rosebud. After Welles entered into intense negotiations with Rosebud officials for the final and biggest project phase, Kane announced that it had reached an agreement with Rosebud to develop the final phase instead of Welles. The lawsuit ensued.

to begin in Welles' against is set suit Welles' subject matter Essential to proving case is the discussed at a final meeting between Welles and Rosebud. Unfortunately, the Welles manager who attended the meeting is now deceased. The manager, however, modified and refined his personal notes shortly after the meeting and then memorialized the notes in an e-mail, as a memo to himself. The e-mail is the only evidence of the subject matter discussed during this critical meeting, as the only other record memorializing the meeting are the official meeting minutes maintained by Welles' corporate secretary, which reflect--per business practice--only date, time, location, and meeting attendees. Welles produced the e-mail in hard copy format in discovery, identified it as a trial exhibit in response to interrogatories. While the manager deleted the electronic copy of the e-mail prior to his death, forensic data experts were able to recover it from Welles' server and have confirmed that the e-mail was drafted and sent in its current hard copy format with no changes.

Kane objects to admission of the e-mail, arguing that it is hearsay that does not qualify as a business record under MRE 803(6), records of regularly conducted activity.

Without concerning yourself about through whom the e-mail memo will be admitted or the "dead man's statutes," answer the following questions:

- 1. How should the court rule on Kane's objection? Explain why.
- 2. What is the best argument for admission of the e-mail under any hearsay exception or as non-hearsay?

<sup>\*\*\*\*\*</sup>THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III\*\*\*\*\*
OR IN SOFTEST ANSWER SCREEN 9

## FEBRUARY 2016 MICHIGAN BAR EXAMINATION ESSAY PORTION

AFTERNOON SESSION

#### QUESTION 10 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV OR IN SOFTEST ANSWER SCREEN 10

While still on parole for a felony, Darryl Defendant borrowed a car from an acquaintance. Darryl had never previously driven nor even been in the car. Darryl then drove it to Nick's house, approached the house, turned the unlocked doorknob on the back door and walked in. Underneath Darryl's jacket was a loaded .45 caliber handgun. As Darryl walked in, he immediately began to look for Nick's new 52-inch TV so he could take it to the local pawn shop to get drug money.

Darryl thought no one would be home because he knew Nick worked. Much to his surprise, he heard Nick's voice upstairs and then heard him coming down the stairs. Unable to grab the TV, Darryl bolted out the door. He jumped into the borrowed car and started to take off. Unfortunately for Darryl, Nick's immediate neighbor, Brad, had seen Darryl drive up to Nick's house and get out of the car. Brad called the police when he saw Darryl go through Nick's back door.

After Darryl backed out of the driveway and started to drive away, he saw a police car pulling around the corner. Recognizing the car as matching the description given by Brad, the police cruiser activated its siren and lights and started after Darryl. Seeing the lights and hearing the siren, Darryl nevertheless sped up, ran two stop signs, slowed, but did not stop at a red light, and traveled about a mile-and-a-half with the cruiser pursuing. Darryl's car then stalled, and police put him under arrest.

A lawful search under Darryl's jacket produced the gun. When Darryl's car was lawfully impounded and inventoried, police found a small quantity of cocaine in a bag taped underneath a backseat floor mat.

Which felony crimes is Darryl likely to be convicted of under Michigan law? For a crime that has degrees, only indicate the highest degree chargeable and not any lesser degrees. Discuss your answers fully.

#### QUESTION 11 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV OR IN SOFTEST ANSWER SCREEN 11

Approximately 1,000 feet away from a church where a funeral service was taking place for a soldier killed in the Iraq war, a few members of an unrelated church gathered on public land near a public sidewalk to protest about a variety of concerns. The church members, known singly as the "Members," carried placards or pickets seemingly directed at the soldier and his family attending the funeral. The pickets said:

"God Hates the USA/Thank God for 9/11," "America is Doomed," "Don't Pray for the USA," "Thank God for IEDs," "Fag Troops," "Semper Fi Fags," "God Hates Fags," "Maryland Taliban," "Fags Doom Nations," "Not Blessed Just Cursed," "Thank God for Dead Soldiers," "Pope in Hell," "Priests Rape Boys," "You're Going to Hell," and "God Hates You."

The protest took place after the Members contacted local authorities to tell them of the funeral protest. The Members followed police directions as to the location for the protest. The Members did not enter church property or the cemetery for the burial, nor yell or use profanity, violence, nor try to physically disrupt the funeral service or burial.

The soldier's father, Mr. Jones, became aware of the protest, the picket signs, and to an extent, the words on the signs. Already distraught over the loss of his son, Jones' grief was exacerbated by what he learned about the pickets and the Members. Jones filed suit against the Members for intentional infliction of emotional distress.

The Members raise a single defense: that they have a constitutional right to protest if done appropriately; and, despite the caustic, mean-spirited words chosen, they cannot be held liable because of the exercise of that right.

Articulate the constitutional right involved, discuss its application, if any, to the protest in question, and render a conclusion as to the defense posited. You are to focus on the constitutional defense asserted by the Members and not discuss the Members' defense on its factual merits.

#### GO TO BLUEBOOK V

#### QUESTION 12 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV OR IN SOFTEST ANSWER SCREEN 12

David Defendant was on trial before a jury on the charge of arson of other real property. When the prosecution rested its case, David's counsel moved for a directed verdict of acquittal. David's counsel argued that the People's evidence failed to prove that the structure that had been burned was not a dwelling. He maintained it was incumbent on the People to prove this element factually. The prosecution responded no such proof was required, but the trial court sided with David's counsel. The court found that this element was required, but not established by the People's evidence. The court granted the motion of David's counsel.

motion, was After the court granted the the jury At a subsequent proceeding occasioned by the People's request to set a new trial date, David's counsel argued that retrial was barred on double jeopardy grounds. prosecution responded that David's double jeopardy rights were not involved because of the trial court's erroneous addition of a non-required element. The trial court agreed it had erred. David's counsel nevertheless argued the court's error did not impact David's right to not be retried, because the People failed to prove their case.

Discuss the double jeopardy principles involved and, applying those principles, discuss whether David's retrial is barred. Fully explain your answers.

#### QUESTION 13 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V OR IN SOFTEST ANSWER SCREEN 13

In May 2014, friends Randy, Porter, and Zeke bought a home together in Motor City, Michigan (the "property"). They pooled their money to cover \$50,000 of the \$150,000 purchase price. The three decided to get a mortgage loan for the other \$100,000, but determined they should not apply as co-owners because Randy and Zeke had terrible credit. Porter alone applied for a mortgage loan with Motor City Bank for the necessary \$100,000, representing himself as the sole purchaser.

The Bank approved Porter's mortgage loan and closing on the purchase of the home was completed in June 2014. While the Bank believed Porter to be the sole purchaser, the warranty deed conveying the property in fact listed the three friends as "equal co-owners." An inattentive bank employee failed to both review the documents and to immediately record the mortgage lien with the register of deeds. The Bank's unrecorded mortgage lien merely stated that the \$100,000 loan was secured by Porter's interest in the home without any reference to Zeke and Randy.

In September 2014, both Zeke and Randy lost their jobs. Porter became very concerned that any failure to make mortgage payments would ruin his credit rating, so he sold his interest in the home to his uncle, Mark Meters, for \$30,000. He did not tell Mark about the mortgage. Mark immediately recorded his interest.

No one paid the following October or November mortgage payments. The Bank initiated foreclosure proceedings to take possession of the home. At that point, however, the Bank discovered it had never recorded the mortgage and that the warranty deed listed Randy, Zeke, and Porter as "equal co-owners" of the home followed by an assignment of Porter's interest to Mark. Frustrated, the Bank has come to your law firm for advice.

Applying Michigan law and WITHOUT addressing any issues of fraud or mistake, assess the following:

- 1. Can the Bank proceed against Porter and Mark personally for the balance due on the mortgage loan?
- 2. When Porter sold his interest in the home to Mark, what type of concurrent interest did Mark receive in the property?
  - 3. Can the Bank foreclose on the home and take possession?

#### QUESTION 14 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V OR IN SOFTEST ANSWER SCREEN 14

In December 2007, Dan Timmons, with the assistance of his attorney, executed a valid will that left his sizable residential property, Danville, to his wife, Betty Buttons. The will left the residuary estate, worth around \$3 million, to his sister. Dan's parents were deceased and Dan had no children. Dan and Betty were divorced a few years after Dan executed his will. A few years after the divorce, Dan's health deteriorated. He reconnected with Betty, who moved back in and took care of him out of kindness. Dan expressed his continued desire to ensure Betty's comfort after he was gone. Betty typed up the following document which Dan signed and dated.

### WILL AMENDMENT OF JUNE 30, 2014 I, Dan Timmons, wish to leave one million dollars to Betty Buttons upon my death.

No one else was present when Dan signed this document. Betty kept this "Will Amendment" in her possession and made no changes. Dan died a few weeks later. Dan's attorney admitted the December 2007 will into probate. Betty sought to admit the "Will Amendment."

Applying Michigan law, fully discuss whether, and to what extent, Betty is entitled to any distribution from Dan's estate under (1) the original will and (2) the "Will Amendment," and the reasons for any conclusions.

#### QUESTION 15 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V OR IN SOFTEST ANSWER SCREEN 15

Peter Plaintiff owned an antique watch, valued at over \$40,000, which he had received as an inheritance from his father. Recently, despite its superior craftsmanship, the watch had trouble keeping time and Peter took the watch to Tessa's Watch Repair shop to be fixed. Peter agreed to leave the watch in Tessa's possession while she attempted to repair it. The two negotiated that Peter would pay Tessa \$100 upon completion of any repairs.

Tessa began to work on Peter's watch at the shop shortly after he left, but soon became tired. She packed her tools and the watch in her briefcase so that she could work on the watch at home later that night. While Tessa was walking home, the watch fell out of a hole in her briefcase and landed on the sidewalk. Tessa knew of the hole in her briefcase and had intended to fix it, but had just never gotten around to it. Tessa continued home not realizing that the watch had fallen out of her briefcase. The watch remained on the sidewalk for a short time.

Approximately 10 minutes after Tessa dropped the watch, Mitt was walking down the same sidewalk and discovered it. He knew how valuable antique watches could be, and he felt very lucky to have found it. He immediately went home and placed the watch for sale at an online auction site.

After Tessa alerted Peter about the lost watch, he began searching online to see if someone was trying to sell it. He stumbled upon Mitt's online auction listing and contacted him. Mitt, however, refused to return the watch, stating that he had found it "fair and square."

Applying principles of Michigan personal property law, discuss what causes of action Peter could maintain against Tessa and against Mitt, and the likelihood of the success of each.